

COURT FILE NUMBER QB No. 1884 of 2019

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

JUDICIAL CENTRE SASKATOON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36,
AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 101098672
SASKATCHEWAN LTD., MORRIS INDUSTRIES LTD., MORRIS SALES AND SERVICE LTD.,
CONTOUR REALTY INC., and MORRIS INDUSTRIES (USA) INC.

NOTICE TO RESPONDENT(S): All parties listed in the enclosed Service List

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Where: 520 Spadina Crescent East, Saskatoon Saskatchewan S7K 3G7

Date: Friday, March 26, 2021.

Time: 1:00PM

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. Bank of Montreal ("**BMO**") respectfully seeks an Order:
 - (a) declaring that the time for service of this application (the "**Application**") and supporting materials is valid, timely and sufficient, such that the Application is properly returnable today, and that further service of the Application be dispensed with;
 - (b) amending the Style of Cause in the within proceedings as follows:

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF CONTOUR REALTY INC.

AND IN THE MATTER OF THE RECEIVERSHIP OF 101098672
SASKATCHEWAN LTD., MORRIS INDUSTRIES LTD., MORRIS
SALES & SERVICE LTD. and MORRIS INDUSTRIES (USA) INC.

- (c) lifting the stay of proceedings (the "**Stay**") granted in the within proceedings (the "**CCAA Proceedings**") by the Honourable Justice R.S. Smith pursuant to s.11.02 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C036, as amended (the "**CCAA**") to:
- (i) if necessary, permit BMO to bring the within Application; and
 - (ii) permit BMO to apply for an Order pursuant to Section 243 of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), Section 65 of *The Queen's Bench Act, 1998*, SS 1998 c Q-1.01 and Section 64(8) of *The Personal Property Security Act, 1993* SS 1993, c P-6.2, appointing Alvarez & Marsal Canada Inc. ("**A&M**") as receiver and manager (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of one or more of Morris Industries Ltd. ("**Morris Industries**"), Morris Sales & Service Ltd. ("**S&S**"), 101098672 Saskatchewan Ltd. ("**672**") and Morris Industries (USA) Inc. ("**Morris USA**" and together with Morris Industries, S&S, and 672, collectively, the "**Receivership Entities**"); and
- (d) such other relief as may be sought by BMO and granted by this Honourable Court.

Grounds for making this application:

2. Contour Realty Inc. ("**Contour**" and together with the Receivership Entities, the "**Morris Group**") are the Applicants in the within proceedings and are currently afforded the protections of the CCAA.

The Style of Cause

3. As BMO is required to lift the Stay, it is efficient and convenient to bring the instant receivership application under the same Style of Cause as the CCAA Proceedings. Accordingly, in the event

that its applications are successful, BMO seeks to amend the existing Style of Cause to reflect the termination of the CCAA Proceedings in respect of the Receivership Entities.

The Indebtedness

4. BMO extended credit facilities and additional advances to Contour Realty Inc. (“**Contour**”) pursuant to a commitment letter dated August 29, 2013 (the "**Contour Loan Agreement**").
5. As at March 22, 2021, Contour remains indebted to BMO in the amount of \$1,669,072.38 in respect of funds borrowed under the Contour Loan Agreement (the "**Contour Indebtedness**").

Guarantees

6. Each of the Receivership Entities has guaranteed repayment of the Contour Indebtedness to BMO pursuant to Unlimited Liability Guarantees each dated August 23, 2013 (collectively, the “**Guarantees**”).

Security granted to BMO

7. To secure all indebtedness at any time owing to BMO, including the Guarantees, each of the Receivership Entities has granted security to BMO in the form of General Security Agreements (collectively, the “**GSAs**”).
8. Each of the GSAs is registered at the personal property registries of Alberta, Saskatchewan, and Manitoba.

Default and Demand Under the Contour Loan Agreement

9. Contour is in default of the Contour Loan Agreement and all amounts owing to BMO under the Contour Loan Agreement are immediately due and payable.
10. On or about January 4, 2020, BMO served a demand for repayment of the Contour Indebtedness pursuant to the Guarantees on each of the Receivership Entities and concurrently therewith served a Notice of Intention to Enforce a Security pursuant to section 244(1) of the BIA.
11. Pursuant to the terms of the GSAs, BMO maintains various rights to enforce recovery of the Contour Indebtedness from the Receivership Entities, including the right to apply to this Honourable Court for the appointment of a receiver over them.

Appointment of Receiver

12. The appointment of a receiver is just and convenient to protect and preserve BMO's interests at this time and to complete the realization of the assets of the Receivership Entities in order to recover the Indebtedness.
13. It is just and convenient to appoint a receiver without delay.
14. A&M has consented to act as Receiver.

Material or evidence to be relied on:

15. This Notice of Application
16. Affidavit of Sandy Hayer, dated March 22, 2021.
17. Proposed form of Receivership Order and a redline against the Saskatchewan Template Receivership Order.
18. Consent to Act as Receiver executed by a duly authorized representative of A&M.
19. Brief of Law.
20. Pleadings and proceedings herein.
21. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable rules:

22. *The Saskatchewan Rules of Court.*

Applicable Acts and regulations:

23. *Bankruptcy and Insolvency Act (Canada).*
24. *The Queen's Bench Act (Saskatchewan).*

25. *Personal Property Security Act* (Saskatchewan).

DATED at Calgary, Alberta, this 22nd day of March, 2021.

BURNET, DUCKWORTH & PALMER LLP



Ryan Algar
Solicitors for the Bank of Montreal

NOTICE

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

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